

## BEFORE FILED

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order

Instituting Rulemaking to Establish a Safety and Reliability Framework and the General Rate Case Plan

FILED

PUBLIC UTILITIES COMMISSION  
NOVEMBER 14, 2013  
SAN FRANCISCO, CA  
RULEMAKING FILED-006

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Opening Comments of Utility Workers and Union

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January 15, 2014

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## Opening Comments of Utility Workers and UWUA

From the

UWUA

### A. Introduction

From the

In attempting to explicitly little more than has been undertaken next step from how a safety framework that reflects the importance and advancement of safety. This vision of mature adults addressing one another from skill sets how to make the progress of losses of margins infrastructure and safe operation of facilities seen had priorities that services in the public physical and economic environment significant advance for implementing a safety culture. It different from other older litigation approach proposed in or pleading, for cost a review of programs reactions from not stakeholders.

The Commission has clearly established its independent this From

As part of our deliberate efforts to change our culture to elevate safety, we have revised the to explicitly include showing of our program appropriate safety, reliability and security of the utility's systems, and not just a presentation of claimed costs R.13-11-006, at page 7

From the

The scrutiny program includes evaluation of how the utility's risk and manage across the entire utility enterprise. The risk identified and mitigated from the perspective of the corporation denial of threats of equipment or facility failure due to maintenance external event; threats of explosion, fire and other employees, has described in the Commission's governing statute.

The UWUA has addressed the past three years in proceedings the Commission to move in this direction. In Part B of the Interim Review file, dated June 15, 2011, footnote 67 omitted and notes, page 12

From the

and 웹□η policy 웹□η issues 웹□η initiatives 웹□η outcome 웹□η of 웹□η process 웹□η following on 웹□η the 웹□η importance 웹□η of 웹□η transparency 웹□η value 웹□η of 웹□η employee 웹□η participation 웹□η C, 웹□η follow of 웹□η Coalition 웹□η of 웹□η Utility 웹□η Energy Web Site (DNR) 웹□η revision 웹□η of 웹□η the 웹□η for 웹□η the 웹□η Rate 웹□η Case 웹□η Plan 웹□η (RCP) 웹□η that 웹□η achieves 웹□η the 웹□η Commission service 웹□η quality and 웹□η through 웹□η a 웹□η new 웹□η Service 웹□η Adequacy 웹□η has part in 웹□η UWUA 웹□η responds 웹□η to 웹□η specific proposals by 웹□η the 웪□η Pre-dimensioning 웪□η Stoping the 웪□η Memo, 웪□η Section 4.

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## B. 웪□η Legal 웪□η and 웪□η Policy 웪□η Issues 웪□η

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### 1. 웪□η Public 웪□η Utilities 웪□η Domains 웪□η and 웪□η Sequence 웪□η Ad

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웹□η The 웪□η basic 웪□η statute 웪□η governing 웪□η the 웪□η Commission's 웪□η responsibilities 웪□η utilities 웪□η expressly 웪□η couples 웪□η reasonable 웪□η rates 웪□η and 웪□η adequate 웪□η service.

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451. Charges 웪□η demanded 웪□η by 웪□η public 웪□η utility 웪□η by 웪□η more 웪□η public 웪□η, 웪□η for 웪□η any 웪□η product 웪□η be 웪□η commodity 웪□η be 웪□η furnished 웪□η or 웪□η any 웪□η service 웪□η provided 웪□η to 웪□η and 웪□η reasonable. 웪□η Every 웪□η unjust 웪□η or 웪□η unreasonable 웪□η charge 웪□η demanded 웪□η such 웪□η product 웪□η or 웪□η commodity 웪□η to 웪□η service 웪□η is 웪□η unlawful 웪□η 웪□η public 웪□η shall 웪□η furnish 웪□η timely, efficient, suitable, and 웪□η reasonable 웪□η service, 웪□η instrumentalities, 웪□η equipment, 웪□η facilities, telephone 웪□η facilities, 웪□η 54.1 웪□η of 웪□η the 웪□η Civil 웪□η Code, 웪□η necessary 웪□η to 웪□η promote 웪□η the 웪□η, patron comfort, 웪□η and 웪□η convenience 웪□η of 웪□η patrons, 웪□η employees, 웪□η and 웪□η the 웪□η public 웪□η 웪□η All 웪□η rules 웪□η made 웪□η by 웪□η public 웪□η changing type or affecting 웪□η or service 웪□η to 웪□η the 웪□η public 웪□η shall 웪□η be 웪□η just, proportionate, and reasonable.

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웹□η The 웪□η Commission 웪□η has 웪□η struggled 웪□η with 웪□η the 웪□η regulation, 웪□η manan 웪□η era 웪□η of 웪□η relaxed 웪□η regulation, 웪□η relying 웪□η variously 웪□η on 웪□η market 웪□η discipline), 웪□η performance based 웪□η regulation 웪□η (rate 웪□η incentives), 웪□η and 웪□η more 웪□η re invigorated 웪□η enforcement 웪□η regulations 웪□η threats 웪□η the 웪□η objective 웪□η of 웪□η adequate 웪□η service, 웪□η while 웪□η focusing 웪□η almost 웪□η exclusively 웪□η establishing 웪□η revenues 웪□η and 웪□η Revives 웪□η regulation 웪□η in 웪□η the 웪□η public 웪□η interest new 웪□η approach 웪□η that 웪□η tightly 웪□η and 웪□η explicitly 웪□η safety, 웪□η reliability, 웪□η durability, 웪□η and 웪□η responsiveness 웪□η and 웪□η promptness.

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掴 0 1 As掴 0 1 the掴 0 1 Commission掴 0 1 has掴 0 1 recognized掴 0 1 in掴 0 1 its掴 0 1 order掴 0 1 initiatin Legislature掴 0 1 has掴 0 1 provided掴 0 1 specification掴 0 1 further掴 0 1 itsprevice掴 0 1 adequacy掴 0 1 requirements掴 0 1 gas掴 0 1 industry掴 0 1 in掴 0 1 SB掴 0 1 705,掴 0 1 which掴 0 1 places掴 0 1 itsafety掴 0 1 publicarsutilization掴 0 1 section掴 0 1 963(b)),掴 0 1 and掴 0 1 has掴 0 1 provided掴 0 1 a掴 0 1 processated掴 0 1 pricelimitation掴 0 1 nage掴 0 1 objectives掴 0 1 includung掴 0 1 the掴 0 1 possibility掴 0 1 of掴 0 1 injury掴 0 1 and掴 0 1 damage掴 0 1 hazards.掴 0 1掴 0 1 Pub.掴 0 1 Util.掴 0 1 Code掴 0 1 section掴 0 1 961.掴 0 1掴 0 1 While掴 0 1 there掴 0 1 is safety掴 0 1 in掴 0 1 the掴 0 1 electric掴 0 1 industry掴 0 1 takeover掴 0 1 otherassessments掴 0 1 framework掴 0 1 existing掴 0 1 legal掴 0 1 issues掴 0 1 identify掴 0 1 thatadopt掴 0 1 preventivs掴 0 1 measures掴 0 1 minimize掴 0 1 inju and掴 0 1 damage掴 0 1 in掴 0 1 and掴 0 1 reliability,improvegency掴 0 1 response掴 0 1 and掴 0 1 recovery assure掴 0 1 an掴 0 1 adequate掴 0 1 workforce掴 0 1 provide掴 0 1 preventive措施掴 0 1 the掴 0 1 preventive掴 0 1 measures;掴 0 1 an掴 0 1 de掴 0 1 for掴 0 1 robust掴 0 1 oridegsbiliteing掴 0 1 and掴 0 1 maintenance掴 0 1 employees掴 0 1 in掴 0 1 the掴 0 1 development掴 0 1 of掴 0 1 these掴 0 1 programs

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2.掴 0 1 **The掴 0 1 Problematic掴 0 1 Relationship**掴 0 1 between掴 0 1 **Services**掴 0 1 **Quality**掴 0 1 and掴 0 1  
掴 0 1  
掴 0 1 Years掴 0 1 **Age**掴 0 1 Kahn掴 0 1 accurately掴 0 1 described掴 0 1 this掴 0 1 problem掴 0 1 in掴 0 1 dealing  
and掴 0 1 that掴 0 1 **Medicine**掴 0 1 Commission掴 0 1 in掴 0 1 the掴 0 1 **Wave**掴 0 1 to掴 0 1 **Take**掴 0 1 **Break**掴 0 1  
rate掴 0 1 regulation掴 0 1 process掴 0 1 better掴 0 1 suited掴 0 1 to掴 0 1 addressing掴 0 1 results掴 0 1 of掴 0 1

If,掴 0 1 as掴 0 1 far掴 0 1 has掴 0 1 responsibility掴 0 1 rests掴 0 1 with掴 0 1 the掴 0 1 private掴 0 1 monopolist,掴 0 1 and掴 0 1 the掴 0 1 government掴 0 1 supervisor  
only掴 0 1 where掴 0 1 objective掴 0 1 standards掴 0 1 can掴 0 1 be掴 0 1 set掴 0 1 for,掴 0 1 after掴 0 1 monopolist's掴 0 1 performance掴 0 1 has掴 0 1 been掴 0 1 omitted]掴 0 1 do掴 0 1 we掴 0 1 i  
an掴 0 1 quate掴 0 1 assurance掴 0 1 ...掴 0 1 that掴 0 1 his掴 0 1 positive掴 0 1 management掴 0 1 be掴 0 1  
continuously掴 0 1 as掴 0 1 good掴 0 1 as掴 0 1 possible?掴 0 1 If掴 0 1 poor掴 0 1 service掴 0 1 equivalent掴 0 1 of掴 0 1 high掴 0 1 price,掴 0 1 why掴 0 1 is掴 0 1 there掴 0 1 not掴 0 1 just掴 0 1 as掴 0 1 monopoly掴 0 1 power掴 0 1 will掴 0 1 involve掴 0 1 sluggishness掴 0 1 with掴 0 1 respect掴 0 1 both掴 0 1 efficiency掴 0 1 a  
danger掴 0 1 of掴 0 1 not掴 0 1 there掴 0 1 not掴 0 1 the掴 0 1 danger掴 0 1 of掴 0 1 sluggishness掴 0 1 as掴 0 1 quality掴 0 1 and掴 0 1 extending掴 0 1 the掴 0 1 scope掴 0 1 of掴 0 1 service?

掴 0 1 These掴 0 1 problems掴 0 1 deal[..]They掴 0 1 deserve掴 0 1 creative掴 0 1 active掴 0 1 attention掴 0 1 than掴 0 1 they掴 0 1 now掴 0 1 receive.掴 0 1

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2掴 0 1掴 0 1 Pub.掴 0 1 Util.掴 0 1 Code掴 0 1 sections掴 0 1 761掴 0 1 and掴 0 1 768掴 0 1 authorize掴 0 1 the  
practices掴 0 1 for掴 0 1 pratice掴 0 1 if掴 0 1 it掴 0 1 finds掴 0 1 existing掴 0 1 rules掴 0 1 or掴 0 1 practices  
inadequate.掴 0 1掴 0 1 Pub.掴 0 1 Util.掴 0 1 Code掴 0 1 701掴 0 1 authorizes掴 0 1 the掴 0 1 Commission掴 0 1  
necessary掴 0 1 to掴 0 1 carry掴 0 1 out掴 0 1 its掴 0 1 regulatory掴 0 1 responsibilities.

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Alfred 펙□η KThe 펙□η Economics 펙□η of 펙□η Regulation 펙□η page 120114 7-22

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펩□η The 펙□η key 펙□η concept 펙□η here 펙□η is 펙□η the 펙□η economic 펙□η equivalence 펙□η of 펙□η The 펙□η public 펙□η gets 펙□η the 펙□η minimum 펙□η regulatory 펙□η 펙□η of 펙□η a 펙□η rate 펙□η increase 펙□η if 펙□η diminished. 펙□η 펙□η The 펙□η false 펙□η economic 펙□η associated 펙□η “efficiencies” 펙□η that 펙□η in 펙□η practice 펙□η reduce 펙□η service 펙□η levels 펙□η do 펙□η not 펙□η protect 펙□η the 펙□η public 펙□η public, 펙□η in 펙□η wage 펙□η decrease 펙□η 펙□η dramatic 펙□η such 펙□η has 펙□η San 펙□η Bruno, 펙□η has 펙□η still 펙□η increase 펙□η and 펙□η increase 펙□η price 펙□η gas 펙□η service 펙□η in 펙□η winter failure 펙□η respond 펙□η in 펙□η a 펙□η timely 펙□η fashion 펙□η to 펙□η an 펙□η emergency 펙□η leak? 펙□η

펩□η In 펙□η Reply 펙□η the 펙□η Sep 15, 2006 펙□η the 펙□η General 펙□η Base, 펙□η 12-0051006 펙□η the 펙□η UWUA 펙□η proposed 펙□η his solution 펙□η:

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“UWUA 펙□η has 펙□η proposed 펙□η a 펙□η concrete 펙□η mechanism 펙□η for 펙□η addressing; between 펙□η service 펙□η quality 펙□η and 펙□η costs 펙□η timely 펙□η from 펙□η kind 펙□η more emergency 펙□η leaks, 펙□η field 펙□η service 펙□η order 펙□η completion 펙□η within 펙□η 2 펙□η up 펙□η the 펙□η phone 펙□η at 펙□η the 펙□η call 펙□η center 펙□η within 펙□η a 펙□η minute 펙□η a 펙□η known 펙□η gas 펙□η hazard. 펙□η 펙□η The 펙□η mechanism 펙□η is:

- ***Set an aspirational standard***
- ***Provide funding in rates to improve performance toward the standard***
- ***Monitor performance continuously using employee- and management- initiated communication with Commission staff;***
- ***Adjust revenues and – if necessary – procedures to enable continued progress as an element of ‘post test-year ratemaking.’***

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Exhibit 펙□η 580, 펙□η Testimony 펙□η of 펙□η Carl 펙□η Wood, 펙□η UWUA 펙□η Exhibit 펙□η 1, 펙□η

펩□η “This 펙□η is 펙□η a 펙□η real 펙□η response 펙□η to 펙□η Kahn’s 펙□η “real 펙□η problems proposal 펙□η utilizes 펙□η resources 펙□η provided 펙□η by 펙□η the 펙□η public 펙□η for 펙□η it public 펙□η (1) 펙□η utility’s 펙□η own 펙□η resources 펙□η (provided 펙□η by 펙□η ratepayers) through 펙□η the 펙□η (2) 펙□η resources 펙□η provided 펙□η by 펙□η the 펙□η knowledge 펙□η and 펙□η access 펙□η of 펙□η UWUA 펙□η members 펙□η to 펙□η both 펙□η customers well 펙□η as 펙□η the 펙□η utility’s 펙□η management 펙□η resources 펙□η provided 펙□η by 펙□η the ratepayers 펙□η through 펙□η unregulated 펙□η rates. 펙□η 펙□η

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펩□η 펙□η 펙□▷

3 펙□η 11월 펙□η Reply 펙□▷

5 펙□▷ May 10-12, 2006 펙□▷ page 34

4 펙□▷ Public 펙□▷ Util. 펙□▷ 431 펙□▷ ff.

펩□η

memberId 1311-006  
However, the UUWA has not proposed setting service standard beginning processes designed to meet the punishment for (punishment for) "obviously bad" performance. It has as for tracking goals and activities intended to maintain or of the public in the inability of the gas system to a public's needs safely and effectively.

This forward-looking approach calculating financial goals and taking concrete steps to put in place transparent and to meet the consistent with the Commission's stated goal culture change in the gas industry. In place of identified by the Independent Review Panel Report has a industry, UUWA is proposing a culture that places particular transparency and accountability at the forefront, and particular goals and procedures to implement review pages 4 footnotes (nominated)

memberId 1311-006  
This approach supports the consideration of authorized Revenues" by providing an explicit basis for determining value of service from the perspective of what they are for they right what they have been paying for longer than the Commission revised Rate Case Plan at the time places in the industry safety and reliability later in question of many issues more detailed proposal in the UUWA outlines process intended close and explicit relationship between rates and service quality reliability.

memberId 1311-006  
3. The Importance of Transparency and Accountability

In 2011-006, the Commission calls for and transparent examination ...the technical state of the utility system, giving operational system has well has an assessment of its risk, low risk and high risk, providing explanations for metrics underlying used metrics have the utility evaluated in terms of implementation in order to be transparent the associated metrics of the security and safety of its

memberId 1311-006  
5. Current Issues in the UUWA Non-Reported Issues in R.11-02-019 on July 15, 2011, page 15, regarding its safety

memberId 1311-006  
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facilities. We would like to have institutionalized the standard practice by incorporating it R.13\_11-006, page 6

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The Commission has sufficient authority under its existing statutes to achieve this transparency through the practices it uses. The Commission accounting record keeping and reporting procedures require publication and verification of financial models, used to provide information in its annual report to the Commission. It is required by Pub. Util. Code section 961(e) for employees in developing safety plans. The user fee statute funds the Commission to assess the utilities any funds they need to carry legislative budget process.

The Commission should have comprehensive powers in a coordinated way to create and maintain the transparency it needs to break down the silos that isolate the Office of Ratepayer by Pub. Util. Code section 1801.3(b). It urges the Commission to have, pursue, and sets disciplines necessary to ensure high evaluation of utility. It would also fully empower public interest rate representatives to participate in the Commission's activities to assess and evaluate utility customer availability and channels, including developing customer communication channels that urges the Commission to develop an approach to the GRC that replicates, lists, describes, or forecasts public utility internal limited to, its accounting, management, cash, personnel assignments and procedures for financial control.

7 Pub. Util. sections 431 seq..

8 This may mean other Commission's approach to participant the context of safety and service quality oversight, in order intent: The provisions of the Commission's regulations on efficiency and efficient regulation process." Pub. Util. Code section 1801.3(b)

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authorities 웹□ηto 웹□ηcreate 웹□ηa 웹□ηfree 웹□ηflow 웹□ηof 웹□ηinformation 웹□η(transparency) best 웹□ηvalue 웹□ηfor 웹□ηprovided 웹□ηrevenue 웹□η

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#### 4. 웹□ηThe 웹□ηProblem 웹□ηof 웹□ηRegulatory 웹□ηInformation Capture Theory 웹□ηand 웹□ηEmployee 웹□ηParticipation 웹□η

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The 웹□ηproblem 웹□ηof 웹□ηachieving 웹□ηgreater 웹□ηtransparency 웹□ηis 웹□ηclosely 웹□ηregulatory 웹□ηcapture. 웹□ηthe 웹□ηUWUA 웹□ηdefines 웹□ηinformation 웹□ηas “asymmetry” differential 웹□ηaccess 웹□ηto 웹□ηinformation 웹□ηand 웹□ηinformation 웹□ηmanagement provided 웹□ηinformation 웹□ηand 웹□ηsuggested 웹□ηsolution 웹□ηApril 웹□η18, 웹□η2012 in 웹□ηthe 웹□ηSempra 웹□ηCompany 12s 05/006, 웹□ηMay 10 heavily 웹□ηon 웹□ηthe 웹□ηCom prior 웹□ηatment 웹□ηof 웹□ηthe 웹□ηproblem 웹□ηand 웹□ηproblem 웹□ηin 1999 웹□ηPGC Case, 웹□ηGeneral 웹□ηD.00-02-46 웹□η(issued 웹□ηFebruary 웹□η24, 웹□η2000):

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“Regulatory 웹□ηcapture” 웹□ηoccurs 웹□ηwhen 웹□ηspecial political interests 웹□ηcor 웹□ηpolitical bodies 웹□ηregulatory 웹□ηagencies, 웹□ηand 웹□ηparticular groups 웹□ηtheir 웹□ηown 웹□ηIn 웹□ηthe 웹□ηcontext 웹□η“regulatory 웹□ηcapture” 웹□ηis 웹□ηspecifically 웹□ηthrough 웹□ηwhich 웹□ηnegotiates 웹□ηend 웹□ηup 웹□ηmanipulating 웹□ηthe 웹□ηstate 웹□ηas that 웹□ηare 웹□ηsupposed 웹□ηto 웹□ηprotect 웹□ηpublic 웹□ηinterests. 웹□η“Regulatory 웹□ηCapture: 웹□ηA 웹□ηReview,” 웹□η22 웹□ηOxford 웹□ηReview by 웹□ηof 웹□η2013 웹□ηFebruary 2013) 웹□η

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In 웹□ηPacific Gas 웹□ηand 웹□ηElectricity D 2046, 웹□ηthe 웹□ηCommission 웹□ηdiscussed 웹□ηthe problem 웹□ηin 웹□ηdetail, 웹□ηquoting 웹□ηextensively 웹□ηfrom 웹□ηolder 웹□ηsources:

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The 웹□ηrelative 웹□ηadvantage 웹□ηof 웹□ηutilities 웹□ηin 웹□ηratemaking 웹□ηlitigation 웹□ηrecognized. 웹□ηIn 웹□η1999 웹□ηobserved 웹□ηthe 웹□ηfollowing 웹□η73 웹□ηyears 웹□ηago: ‘Successful 웹□ηregulation 웹□ηof 웹□ηgreat 웹□ηpublic 웹□ηprinciples 웹□ηand 웹□ηeasy 웹□ηmatter. 웹□ηThe 웹□ηindustry until now 웹□ηhad 웹□ηtimes 웹□ηto 웹□ηsave 웹□ηit Commission 웹□ηfrom 웹□ηexerting 웹□ηitself. 웹□ηIn 웹□ηthe 웹□ηpast, 웹□ηthey 웹□ηhad 웹□ηno experience 웹□ηof 웹□ηwhat 웹□ηthey 웹□ηneed. 웹□ηThe 웹□ηCommission 웹□ηis 웹□ηwhat 웹□ηit needs 웹□ηexperience 웹□ηdo 웹□ηits 웹□ηnow 웹□ηinvestigating 웹□ηto 웹□ηthe 웹□ηbottom 웹□ηof Very 웹□ηfew 웹□ηappropriate 웹□ηenough 웹□ηfunds 웹□ηto 웹□ηenable 웹□ηthe 웹□ηComm do 웹□ηtheir 웹□ηindependently. 웹□ηThe 웹□ηonly 웹□ηway 웹□ηfor 웹□ηa 웹□ηCommission quickly 웹□ηis 웹□ηto 웹□ηprovide 웹□ηwhat 웹□ηit 웹□ηto 웹□ηdo, 웹□ηand 웹□ηoften 웹□ηas 웹□ηwith 웹□ηthe 웹□ηdelay.

If 웹□ηthe 웹□ηCommission 웹□ηdepends 웹□ηupon 웹□ηthe 웹□ηconsumers 웹□ηor 웹□ηpresent 웹□ηpublic 웹□ηside 웹□ηof 웹□ηthe 웹□ηcontroversy, 웹□ηthe 웹□ηevidence 웹□ηbe 웹□ηheavily 웹□ηbiased 웹□ηagainst 웹□ηworking 웹□ηfrom 웹□η[is] 웹□ηoutside 웹□ηagainst 웹□ηthe 웹□ηcompanies 웹□ηhaving 웹□ηall 웹□ηexperience 웹□η

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and able to tap the consumers' confidence to spend to defeat the consumers who will be added to the rates which the consumers themselves have financial resources, experience, great things at stake and continuity of their interest, com utilities than overwhelming advantage in the present before mission and Courts.' (Dr. John D. Wilcox, California Public Utilities Commission, July 1926; has quoted in the California Commission, Ray C. Wakefield, January 1941, pp. 1-2.)

"The problems identified by Dy. John D. Wilcox through "inside" information and the ratepayer funding of their efforts to defeat - have not clearly the situation for California in 1999 is clearly describing in 1926

is our experience that in company to other is better able, and have the greater influence, to the resources to support the way upon which information provided by the own experts. ... To avoid painted by Wilcox, John D. Wilcox the Commission providing the information to the Commission

4.2.2

The Commission's Gas Safety Act is legalistic none: apply to the utility's required showing of support of litigated proceeding. The Gas Safety Act is legal of typical proof may not enable the Commission to develop because they are faced with reflecting litigation UWUA is advancing a different, a problem of asymmetric information: create ongoing channels of from employees, who are uniquely situated to inform the public about the details and requirements of the corporation. and accountability in the context of the regulation among Commission, employees and managers both in the formal and informal dialogue between formal proceeding. The information suffered by the Commission by the Review Panel can be added to employees communicate with the Commission in a deregulated setting non-matters of public importance, uncoerced nor by management. The UWUA safety proposals to empower independent of and uncoerced by this proceeding and in the Gas Safety Act making part of the formal and informal settings, to the information the problem asymmetry."

9

UWUA Opening Brief pages 5-18, footnotes on noted emphasis added

掴□η The掴□η Commission掴□η has掴□η recognized掴□η the掴□η principles掴□η input掴□η on掴□η by-case掴□η basis.掴□η The掴□η Commission掴□η now掴□η should掴□η provide掴□η an掴□η institution掴□η integrating掴□η the掴□η experience,掴□η knowledge掴□η and掴□η expertise掴□η into掴□η the掴□η to achieve掴□η operating掴□η integrity,掴□η accountability掴□η and掴□η transparency掴□η proposed掴□η the掴□η

掴□η

掴□η

### C.掴□η Summary掴□η Rule掴□η Case掴□η ROP Plan Revision Proposal

掴□η

掴□η The掴□η structure掴□η of掴□η the掴□η proposed掴□η ROP after掴□η Phase掴□η Plan掴□η reflects掴□η support掴□η for掴□η the掴□η framework掴□η proposed掴□η by掴□η the掴□η Coalition掴□η of掴□η elements掴□η and掴□η

掴□η

(1)掴□η Introduction掴□η of掴□η service掴□η Adeq/Safety掴□η and掴□η Reliability in Phase掴□η 1,掴□η culminating掴□η in a掴□η Phase掴□η 1掴□η decision掴□η that掴□η objectives of the service掴□η standards, Ethics,飞船араметrs飞船□η for飞船□η progress

(2)掴□η掴□η elimination飞船□η of飞船□η the飞船□η NOI

(3)掴□η掴□η Commencement飞船□η of飞船□η requirements飞船□η Phase飞船□η (Phase飞船□η 2)飞船□η upon飞船□η Phase飞船□η 1,飞船□η with飞船□η preliminary飞船□η evaluation飞船□η of飞船□η revenue飞船□η requirements dependency飞船□η of飞船□η Phase飞船□η 1飞船□η based飞船□η on飞船□η most飞船□η recent飞船□η historic飞船□η known飞船□η and飞船□η measurable飞船□η changes

(4)掴□η飞船□η RGA飞船□η phase飞船□η (Phase飞船□η 3)飞船□η during飞船□η the飞船□η year飞船□η following飞船□η

掴□η

掴□η

- Three飞船□η phases飞船□η in飞船□η Review Service飞船□η RGA adequacy;飞船□η Revenue飞船□η Requirements Rate飞船□η Design
- Eliminate飞船□η the飞船□η Application飞船□η NOI飞船□η as飞船□η phase飞船□η of飞船□η training飞船□η NOI飞船□η functionality飞船□η (DRAFTigation/audit飞船□η of飞船□η operations飞船□η fort飞船□η both飞船□η service adequacy飞船□η phase飞船□η and飞船□η revenue飞船□η requirements飞船□η phase
- Service飞船□η adequacy飞船□η Phase

掴□η飞船□η

9.飞船□η SIGNED飞船□η COMMISSIONER飞船□η AND飞船□η ADMINISTRATIVE飞船□η LAW飞船□η JUDGE'S飞船□η RULING MOTION飞船□η OF飞船□η ATTITUDE飞船□η WORKERS飞船□η UNION飞船□η FOR飞船□η A飞船□η DIRECTIVE飞船□η TO飞船□η EMPLOYEES飞船□η issued飞船□η January飞船□η 25,飞船□η 2006飞船□η

10.飞船□η飞船□η COMMENTS飞船□η QF飞船□η TEE飞船□η HOMA飞船□η OF飞船□η THE飞船□η INDEPENDENT飞船□η REVIEW飞船□η PANZIEN filed飞船□η July 2006飞船□η OF飞船□η THE飞船□η UTILITY飞船□η WORKERS OF飞船□η AMERICA飞船□η DRAFT飞船□η GAS飞船□η SAFETY飞船□η PLAN飞船□η of飞船□η the CALIFORNIA飞船□η GAS飞船□η COMPANY飞船□η September飞船□η 2006飞船□η

R.11-02-019.飞船□η

掴□η

掴□η

- ✓ Replace the NOI phase with a Service Adequacy phase operating risks and safety, predictability, timeliness and responsiveness, including the other services. This phase is open to IOU's application filed in December preceding the Test phase.
- ✓ Service Adequacy phase does not include evidentiary hearing discovery and works hours. It is adequate service opportunity direct interaction of utility proponents and other parties.
- ✓ Service Adequacy Phase reflects ongoing reporting by not staff and parties concerning service quality, reliability, and effectiveness.
- ✓ IOU's application presents data on electric and/or gas operating issues and safety, predictability, timeliness and responsiveness of service functions.
  - IOU's present service activities including hazard identification, preventive maintenance, safety of equipment, safety reliability, effectiveness (each customer on the pro credit; security of personal information, etc.), and service (connection, disconnection, outage and restoration management, response) and IOUs present capital investment programs including financial plans.
  - Evaluated using metrics IOUs have ready to report, plus any relevant metrics
    - SB 705 Safety Plan performance
    - GO-112 and PHMSA independent preventions
    - Electric reliability metrics
    - Service metrics including call center performance, customer accounts and personal information, placement on correct trifurcations, etc.
    - Selection of metrics should evolve over time
  - SED/ORA consultant report, analysis and proposal by parties
  - Includes identification analysis hazards potentially causing probability/high consequence including mitigation to prevent
- ✓ Sets adequacy framework for Revenue Requirement phase
- **Revenue Requirement Phase**
  - ✓ the Commission determines the revenue requirement based on established service quality levels for long term goals based on historic actual expenditures adjusted for fixed, changes such as work force negotiations, wage and benefit or

- ✓ Application, 편□η testimony 편□η and 편□η decision 편□η mapped 편□η to 편□η Uniform 편□η based 편□η on 편□η most 편□η recent 편□η yeas 편□η variation 편□η to 편□η beg 편□η 편□η filii Forms 편□η 1 편□η and 편□η 2 편□η for 편□η prior 편□η year 편□η on 편□η M&A 편□η P131 편□η proceeds. 편□η
- ✓ Staff 편□η and 편□η valuation 편□η of 편□η revenue 편□η proposals 편□η takes 편□η place 편□η with 편□η Service 편□η Adequacy 편□η Phase, 편□η retaining 편□η th 편□η functionality 편□η
- ✓ RR 편□η model 편□η validation, 편□η pursuant 편□η to 편□η PU 편□η Code 편□η P185 편□η is 편□η
- ✓ End 편□η use 편□η of 편□η speculative 편□η forecasted 편□η trapping 편□η result 편□η with 편□η year 편□η actuals 편□η reflected 편□η in 편□η Uniform 편□η System 편□η of 편□η Accounts 편□η known 편□η and 편□η measurable 편□η changes 편□η quality 편□η reliability 편□η and 편□η quality 편□η standards, 편□η object and 편□η goals
- **Timing** 편□η
  - ✓ Application 편□η filed 편□η in 편□η December, 편□η with 편□η a 편□η concurrent 편□η SED/OI service 편□η quarterly
  - ✓ Application/Safety 편□η and 편□η Reliability 편□η Phase 편□η begins 편□η in 편□η March, 편□η with 편□η a 편□η Phase 편□η 편□η Decision.
  - ✓ Revenue 편□η Requirement 편□η Phase 편□η begins 편□η in 편□η December 편□η ends 편□η the 편□η second 편□η quarter Year 편□η 2 편□η front 편□η a 편□η Phase
  - ✓ Rate 편□η Design 편□η begins 편□η in 편□η June 편□η of 편□η Year 편□η 2 편□η

#### D. 편□η Detailed 편□η Response 편□η to 편□η Questions 편□η 007 편□η R.13

**4.1 편□η Process 편□η to 편□η provide 편□η appropriate 편□η analysis 편□η safety 편□η and only risk management 편□η**

편□η  
 편□η Adapting 편□η CPCN 편□η practice 편□η including 편□η process 편□η 편□η Adequacy 편□η Phase 편□η not 편□η the 편□η right 편□η Right 편□η practice 편□η 편□η developed 편□η safety 편□η plan 편□η under 편□η SB 편□η several 편□η areas 편□η

- 편□η
- 1) 편□η 편□η SB 편□η 705 편□η has 편□η 편□η hazard 편□η identification 편□η of 편□η “how” 편□η the 편□η “achieve” 편□η various 편□η operational 편□η outcomes 편□η describes 편□η the 편□η service 편□η Adequacy 편□η Phase 편□η can 편□η address 편□η those 편□η service 편□η quality 편□η issues 편□η and 편□η articulated 편□η after 편□η the 편□η PHC.
  - 2) 편□η 편□η SB 편□η 705 편□η hazard 편□η identification 편□η and 편□η mitigation. 편□η 편□η a 편□η philosophy 편□η that 편□η begins 편□η with 편□η prevent 편□η the 편□η path 편□η the 편□η Service 편□η Adequacy 편□η Phase 편□η is 편□η to 편□η focus 편□η the 편□η Commission 편□η and the 편□η safety 편□η by 편□η it 편□η is 편□η forward 편□η looking 편□η and 편□η performance 편□η of 편□η preventing 편□η harms 편□η foreseen 편□η has 편□η result 편□η of 편□η risks 편□η

3) 편의 편의 SB 편의 705 편의 **Baselines** 편의 date 편의 and 편의 **Non-compliance** 편의 transparency 편의 has fostering 편의 **Procedural** 편의 **Discussions** 편의 among 편의 **Managers**, 편의 **Workers** 편의 in 편의 commission 편의 staff 편의 and 편의 **Public**

편의 편의

It 편의 is 편의 appropriate 편의 ORA 편의 **Phase** 편의 1 편의 **begin** 편의 with 편의 the 편의 **evaluate** 편의 utility 편의 proposal, 편의 **explore** 편의 **systems** 편의 **issues** 편의 from 편의 **experts** 편의 **workers** 편의 in 편의 the 편의 field. 편의 **Establishing** 편의 **traditional** 편의 **professional** 편의 **skill** 편의 **sets** 편의 **for** 편의 **staff** 편의 **in** 편의 **accounting**, 편의 **engineering**, 편의 **and** 편의 **enforcement** 편의 **is** 편의 **crucial**; 편의 **or** **investigative/review/oversight** 편의 **functions** 편의 **is** 편의 **counterpart** 편의 **private**.

편의 **The** 편의 **Service** 편의 **Adhesive** 편의 **Policy** 편의 **(Phase** 편의 1) 편의 **should** 편의 **begin** 편의 **with** 편의 **the** 편의 **a** 편의 **report** 편의 **on** 편의 **prescribed** 편의 **parameters** 편의 **for** 편의 **the** 편의 **service** 편의 **Procedure** 편의 **Policy** 편의 **ED** 편의 **ORA**. 편의 **the** 편의 **Hearing** 편의 **Conference** 편의 **(PHC)** 편의 **should** 편의 **be** 편의 **held** 편의 **with** 편의 **representatives**, 편의 **Customer** 편의 **representatives**, 편의 **public** 편의 **interest** 편의 **representatives** 편의 **or** **stakeholders** 편의 **have** 편의 **had** 편의 **an** 편의 **opportunity** 편의 **to** 편의 **review** 편의 **both** 편의 **documents** 편의 **The** 편의 **Commission** 편의 **should** 편의 **begin** 편의 **Phase** 편의 **1** 편의 **with** 편의 **internal** 편의 **processes** 편의 **for** 편의 **review** 편의 **of** 편의 **the** 편의 **beginning** 편의 **2015** 편의 **Review** 편의 **safety** 편의 **and** 편의 **performance** 편의 **that** 편의 **Corporation** 편의 **utility** 편의 **application**, 편의 **so** 편의 **that** 편의 **and** 편의 **and** 편의 **parties** 편의 **are** 편의 **not** 편의 **placed** 편의 **in** 편의 **the** 편의 **position** 편의 **of** 편의 **any** 편의 **parties** 편의 **document**. 편의 **This** 편의 **approach** 편의 **permits** 편의 **participants** 편의 **to** 편의 **call** 편의 **for** 편의 **Notices** 편의 **of** 편의 **the** 편의 **(NOI)** 편의 **procedure**, 편의 **which** 편의 **is** 편의 **used** 편의 **primarily** 편의 **by** 편의 **respondent** 편의 **parties** 편의 **recesses** 편의 **of** 편의 **the** 편의 **utility** 편의 **approach** 편의 **proceed** 편의 **to** 편의 **formal** 편의 **filing**.

편의 **After** 편의 **the** 편의 **PHC** 편의 **has** 편의 **defined** 편의 **the** 편의 **services** 편의 **provided** 편의 **by** 편의 **the** 편의 **Phase** 편의 **(Phase** 편의 1) 편의 **should** 편의 **be** 편의 **conducted** 편의 **informally**, 편의 **with** 편의 **the** 편의 **robust** 편의 **discovery**, 편의 **and** 편의 **a** 편의 **series** 편의 **of** 편의 **workshops**. 편의 **These** 편의 **moderators** 편의 **and** 편의 **Commissioners** 편의 **should** 편의 **publish** 편의 **the** **Commission's** 편의 **docket** 편의 **so** 편의 **edicts** 편의 **proceedings** 편의 **are** 편의 **reasoned** 편의 **and** 편의 **logical** 편의 **even** 편의 **if** 편의 **it** 편의 **is** 편의 **not** 편의 **ba** "sworn" 편의 **testimony** 편의 **subject** 편의 **to** 편의 **standards** 편의 **examination**. 편의 **the**

편의 편의

#### **4.2 편의 **Comprehensive** 편의 **review** 편의 **of** 편의 **safety**, 편의 **security** 편의 **and** 편의 **risk** 편의 **management** 편의 **GRC** 편의 **application****

편의 편의

How 편의 **should** 편의 **the** 편의 **Commission** 편의 **develop** 편의 **a** 편의 **new** 편의 **RCP** 편의 **for** 편의 **link** 편의 **strategy** 편의 **and** 편의 **goals** 편의 **to** 편의 **resource** 편의 **allocation?** 편의 **What** 편의 **are** 편의 **needed** 편의 **in** 편의 **the** 편의 **field**? 편의 **method**, 편의 **practices** 편의 **and** 편의

편의 편의

*assessing the risk of the safety, security, and/or reliability deficiencies requested funding to the GRC? //*

☞

Answer:☞ See the Internal legal and Policy Committee Summary☞  
of the for the structure and linking☞ revenues and service adequacy.

☞

*What criteria should be used by the Commission to produce an adequate GRC filing? //*

Answer:☞ The utility's initial filing and responses to ORA,☞ should be sufficient together to identify the issues☞ the GRC.☞ Placing the bonus for an adequate☞ gives the utility management responsibility for the filing☞ Commission's agenda.☞ The PHC should be scheduled☞ to elicit issues related to safety, reliability, customer, including timelines and effectiveness, and issues☞ encompass environmental and economic justice issues.☞ risks related to service needs driven by environment community factors.☞

☞ Rate and revenue issues should be informed by the decision about service quality and reliability.☞ should respond to the Commission's decision in the Phases.☞ matters.☞

☞

*Is the development of safety, reliability, and security assessable internally or externally for safety purposes? //*

Answer:☞ Yes, such development is desirable.☞ is review"☞ is.☞

☞

*Who should bear the cost of developing safety assessment the Commission might be using?*

☞

Answer:☞ These costs are to be funded through the utility statute, Pub. Util. Code sections 431 et seq.☞

☞

#### 4.3 편집 **Timing** 편집 **of** 편집 **the** 편집 **GRC** 편집 **applications**

편집 **of**

What should be the interval between GRCs for energy utilities? Should all energy utilities be treated uniformly? What should the schedule look like in the coming years?

Answer: 편집 **The** 편집 **GRC** 편집 **interval** 편집 **should** 편집 **be** 편집 **four** 편집 **years** 편집 **if** 편집 **the** 편집 **interval** 편집 **during** 편집 **the** 편집 **implementation** 편집 **of** 편집 **GRC** 편집 **705** 편집 **utilities** 편집 **and** 편집 **on** 편집 **development** 편집 **of** 편집 **GRC** 편집 **comparable** 편집 **plan** 편집 **for** 편집 **The** 편집 **litigation** 편집 **model** 편집 **proceeds** 편집 **initiated** 편집 **by** 편집 **carefully** 편집 **constructed** 편집 **pleading** 편집 **be** 편집 **periodic** 편집 **review** 편집 **and** 편집 **stability** 편집 **in** 편집 **progress** 편집 **on** 편집 **safety** 편집 **service** 편집 **quality** 편집 **journey**. 편집 **Transparency**, 편집 **quality** 편집 **simplification** 편집 **accounting** 편집 **by** 편집 **requiring** 편집 **GRC** 편집 **filing** 편집 **to** 편집 **not** 편집 **only** 편집 **Accounts** 편집 **and** 편집 **mapping** 편집 **all** 편집 **other** 편집 **accounting** 편집 **systems** 편집 **models** 편집 **USA** 편집 **is** 편집 **a** 편집 **critical** 편집 **element** 편집 **here**.

편집 **Utilities** 편집 **should** 편집 **be** 편집 **reviewed** 편집 **and** 편집 **the** 편집 **new** 편집 **utility** 편집 **should** 편집 **not** 편집 **be** 편집 **consolidated** 편집 **for** 편집 **GRC** 편집 **purposes** 편집 **again**.

How can we determine the timing of the incoming NOIs as well as the attrition years in order to reduce pressure on workload and allow adequate time for careful analysis?

Answer: 편집 **One** 편집 **GRC** 편집 **every** 편집 **four** 편집 **years** 편집 **or** 편집 **four** 편집 **years** 편집 **beginning** 편집 **Treatment** 편집 **plan** 편집 **reflect** 편집 **ongoing** 편집 **service** 편집 **and** 편집 **safety** 편집 **achievements**.

Under any of these scenarios, what consequence(s) should follow from utility's failure to meet its filing deadline under the plan?

Answer: If ongoing periodic public review has occurred there should be no failure to file.

Under any of these scenarios, what review of utility spending should occur in the intervening years?

Answer: 편집 **The** 편집 **issue** 편집 **utility** 편집 **performance** 편집 **and** 편집 **achievement** 편집 **of** 편집 **not** 편집 **utility** 편집 **spending**. 편집 **There** 편집 **should** 편집 **utility** 편집 **negotiate** 편집 **with** 편집 **revenue** 편집 **issues** 편집 **addressed**, 편집 **if** 편집 **necessary**, 편집 **in** 편집 **offset** 편집 **failure** 편집 **to** 편집 **provide** 편집 **adequate** 편집 **service** 편집 **due** 편집 **to** 편집 **utility's** 편집 **control** 편집 **(natural** 편집 **disaster**, 편집 **massive** 편집 **military** 편집 **attack**, 편집 **get**

편집 **of**

#### **4.4 RCP의 스케줄링**

스케줄링  
스케줄링

The Commission은 stakeholders에 대한 품질 평가 및 조언을 제공하는 과정을 포함한 컨설팅을 제공합니다. 이는 서비스 품질, 적절성, 그리고 그에 따른 비용과 같은 주제를 다룬 문제에 대한 이해를 확장하는 데 중점을 둡니다. 또한 단기적인 일정과 장기적인 계획을 조율하는 역할을 합니다.

스케줄링  
스케줄링

#### **4.5 유형 적용 예상**

유형 적용 예상  
유형 적용 예상

RCP는 유형 적용 예상과 같은 전반적인 관리 프레임워크를 제공합니다. 이를 통해 일정과 예산을 설정하고, 커미셔너에게 권한을 부여하는 등 운영을 지원합니다.

유형 적용 예상  
유형 적용 예상

#### **4.6 복잡성 감소**

복잡성 감소  
복잡성 감소

RCP는 철저한 준비와 함께 모든 당사자 간의 투명성을 확보하는 것을 목표로 합니다. 이를 통해 신청과 같은 단계에서부터 보고, 모니터링 및 의사소통을 포함한 과정을 단순화하는 데 기여합니다.

복잡성 감소  
복잡성 감소

### **Conclusion**

위의 내용은 RCP의 주요 특징과 함께 각각의 장단점을 살펴보았습니다. 특히 컨설팅과 유형 적용 예상은 다양한 상황에 맞는 맞춤형 지원을 제공하는 면에서 주목할 만합니다.

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